

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Health Agency Behavioral Health Services		(2) MEETING DATE January 10, 2006		(3) CONTACT/PHONE Karen Baylor, Administrator (805) 781-4734	
(4) SUBJECT Renewal contract with Maxim Healthcare Services, Inc. to provide skilled nursing and psychiatric technician services to Mental Health.					
(5) SUMMARY OF REQUEST Maxim Healthcare Services, Inc. is one of two registries currently providing a pool of skilled healthcare workers to supplement county staff for Mental Health's Psychiatric Healthcare Facility (PHF). Maxim provides specially trained, experienced, expert, and competent registered nurses, licensed vocational nurses, certified nursing assistants, and psychiatric technicians to help fill gaps in mandated coverage for all shifts in this 24-hour facility.					
(6) RECOMMENDED ACTION It is recommended that the Board approve and instruct chairperson to sign the attached renewal contract (Clerk's File) with Maxim Healthcare Services, Inc. to provide skilled nursing and psychiatric technician services to Mental Health.					
(7) FUNDING SOURCE(S) State/Federal/Insurance/ Private Pay Billings 35% State Managed Care 17% Discretionary Realignment and General Fund 49%		(8) CURRENT YEAR COST \$115,000		(9) ANNUAL COST \$115,000	
(10) BUDGETED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> N/A <input type="checkbox"/> NO					
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): County Counsel has reviewed and approved the contracts as to form and legal effect.					
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____					
(13) SUPERVISOR DISTRICT(S) 1st, 2nd, 3rd, 4th, 5th, All			(14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A		
(15) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)			(16) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig + 4 copies) <input checked="" type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input type="checkbox"/> N/A		
(17) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A			(18) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		

(19) ADMINISTRATIVE OFFICE REVIEW

OK

B-11
(1-10-06)

BEHAVIORAL HEALTH SERVICES

COUNTY OF SAN LUIS OBISPO




Reply to:

MENTAL HEALTH SERVICES

2178 JOHNSON AVENUE
SAN LUIS OBISPO, CALIFORNIA 93401-4535
(805) 781-4700
(805) 781-1273 FAX

To: Board of Supervisors

From: Karen Baylor, Ph.D., M.F.T., Behavioral Health Administrator 

Date: January 10, 2006

Subject: Request to approve a renewal contract (Clerk's File) with Maxim Healthcare Services, Inc. to provide skilled nursing and psychiatric technician services to Mental Health.

RECOMMENDATION:

It is recommended that the Board approve the attached renewal contract (Clerk's File) with Maxim Healthcare Services, Inc. to provide skilled nursing and psychiatric technician services to Mental Health.

DISCUSSION:

Maxim Healthcare Services, Inc. is one of two registries currently providing a pool of skilled healthcare workers to supplement county staff for Mental Health's Psychiatric Healthcare Facility (PHF). Maxim provides specially trained, experienced, expert, and competent registered nurses, licensed vocational nurses, certified nursing assistants, and psychiatric technicians to help fill gaps in mandated coverage for all shifts in this 24-hour facility. These gaps in service arise from unexpected staff absences due to illness or other forms of leave. Registries provide staff to cover these shifts only when resources from the established on-call list have been exhausted. There is a shortage of qualified skilled nursing staff to meet the high demand for such services in our community. Recruitment and retention of this limited pool is impacted by competition from four area hospitals, local outpatient clinics, Atascadero State Hospital (ASH) and California Men's Colony (CMC). State salaries, retention bonuses, and retirement plans often draw potential candidates to ASH and CMC. A number of healthcare workers on the PHF's on-call list have limited availability due to other employment.

Title 22 of the California Code of Regulations requires a registered nurse be on duty at all times. As licensed professionals, Registered Nurses act as the shift lead and provide the medical component of psychiatric care including administering medications, provide nursing assessments, and assuring compliance with safety procedures at the PHF. Maxim Healthcare

B-11
2

Services is able, on short notice, to provide qualified staff for coverage during employee illnesses, vacations, and permanent position vacancies. It has historically been difficult to recruit psychiatric nurses and technicians to work on the PHF. A recent recruitment effort to fill a vacant RN position included three months of extensive statewide advertising which failed to return a single application. The competition for these resources increased last year as the nurse to patient ratio requirement for all inpatient medical services increased under new State regulations.

OTHER AGENCY INVOLVEMENT/IMPACT

County Personnel has been consulted. County Counsel has reviewed and approved the contract as to form and legal effect.

FINANCIAL CONSIDERATIONS:

The FY 2005-06 Behavioral Health Services - Mental Health budget contains \$115,000 for registry personnel. Registry staff provide coverage when permanent position vacancies occur and recruitment to fill positions is underway. Registry staff also cover for staff on paid leave. Mental Health is currently using two registries, Maxim Healthcare Services, Inc. and InteliStaf Healthcare, Inc. The contract amount for each provider is set at \$115,000, the entire amount for all Behavioral Health-Mental Health registry services. By setting the contract amount for each provider at the maximum spending amount, Mental Health gains the flexibility to use any combination of services provided by either or both registries as needed. Each contractor is reimbursed only for actual services provided. The contract labor costs for these two nursing registry services are included in the FY 2005-06 Behavioral Health Services-Mental Health budget as part of the PHF program. The County is supporting the PHF with \$2,013,893 of discretionary funds: \$509,000 of State Managed Care categorical funds and \$1,504,893 of discretionary realignment and General Fund dollars. The table below summarizes the funding for the PHF in FY 2005-06.

**Mental Health PHF Budget
Fiscal Year 2005-06**

Salaries and Benefits	2,144,361
Services and Supplies	931,532
Total Costs	3,075,893
Medi-Cal FFP	369,000
Match from Realignment	369,000
Private Insurance	225,000
Medicare	70,000
Santa Barbara County	23,000
Self Pays	6,000
State Managed Care	509,000
Discretionary Realignment/General Fund	1,504,893
Total Funding	3,075,893

B-11
3

Maxim's hourly rates are as follows: registered nurses (RN) \$60.00; licensed vocational nurses (LVN) \$45.00; licensed psychiatric technicians (LPT) \$35.00; and, certified nursing assistants (CNA) \$25.00. Hourly rates are \$2.00 higher for night or weekend shifts. Comparable rates for IntelliStaf are: RNs \$54.60 to \$60.80; LVNs \$40.20 to \$46.35; LPTs \$38.15 to \$44.30; and CNAs \$25.75 to \$31.95 ranges all depending on the shift. These contract services are utilized only when county staffing is insufficient to meet staffing requirements and there is no availability of staff from the established on-call extra-help list. In the unlikely event that both registries were to have appropriate and available staff to provide backup for the same vacant shift, Mental Health would choose the registry with the lower rate of pay for that particular service. By renewing the Maxim Healthcare Services, Inc. contract, Mental Health will acquire an additional resource to help alleviate PHF staffing shortages and reduce the need for overtime use by regular staff.

During the first four months of FY 2005-06, the County spent \$47,800 on registry personnel. Only \$270 of that amount is attributed to Maxim Healthcare, due to the delay in processing this contract. During this time, Mental Health made an unsuccessful effort to recruit a psychiatric nurse for the PHF. A registry nurse from IntelliStaf has been used to fill this vacant psychiatric nurse position. The cost for 3.5 months of this registry "traveler nurse" have been \$22,181. Salary savings from the vacant position (Mental Health Nurse II, Step 3) has been approximately \$7,290 per month, or \$25,515 in total, more than offsetting the "traveler nurse" cost.

The cost of registry personnel for the last three fiscal years and the projected cost for FY 2005-06 is presented below.

Registry Personnel – Mental Health PHF

Actual 02-03	Actual 03-04	Actual 04-05	Projected 05-06
\$50,759	\$83,601	\$115,509	\$115,000

RESULTS:

Desired outcomes are to maintain 24-hour minimum staffing levels required for the Psychiatric Health Facility during times when there are vacancies in permanent County positions which ordinarily provide such coverage. Registry workers are also utilized when the availability of extra-help staff is inadequate to cover staff illnesses, vacations, and leaves of absence, or when spikes in patient census/acuity necessitate increased staffing levels to assure patient and staff safety, and to provide special accommodation for children or frail elderly on the unit. Without staff provided to Mental Health by Maxim Healthcare Services, Inc. and IntelliStaf Healthcare, Inc., staffing on the PHF would have fallen below required minimum levels for approximately 140 shifts during FY 2004-05. Registry staff was successfully utilized to maintain minimum standards each time. As a result, the PHF operated within legal requirements of licensure. It is anticipated that this contractor will help Mental Health maintain minimal staffing levels during FY 2005-06 in compliance with State regulations.

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B-11
4